

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

THE UNITED STATES OF AMERICA,

<p style="text-align: center;">-vs-</p> <p>D-1 HADEER GAPPY, and D-2 HARRY GAPPY</p>	<p style="text-align: center;">Plaintiff,</p> <p>Case: 2:21-cr-20441 Assigned To : Berg, Terrence G. Referral Judge: Patti, Anthony P. Assign. Date : 7/6/2021 Description: INFO USA v. GAPPY ET. AL. (SO)</p> <p style="text-align: center;">Defendants.</p>
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I N F O R M A T I O N

THE UNITED STATES ATTORNEY CHARGES:

GENERAL ALLEGATIONS

At all times relevant to this Information:

1. Defendants Hadeer Gappy and Harry Gappy were brothers who owned and operated Bottoms-Up Liquor (Bottoms-Up), a market and liquor store, located in Detroit, Michigan. The mother of defendants Hadeer Gappy and Harry Gappy, also worked at Bottoms-Up.
2. Bottoms-Up maintained a business account at a Comerica Bank

branch located in the Eastern District of Michigan.

3. Raise.com and CardCash.com, both located outside of the state of Michigan, were online purchasers and resellers of merchant gift cards, including but not limited to Home Depot, Lowes, Target and Best Buy. Raise.com and CardCash.com purchased gift cards at a discounted rate and then resold the cards at a higher price.

4. Elavon, Inc., located outside of the state of Michigan, was a processor of stored-value cards that bore Visa, MasterCard, American Express and Discover logos. Elavon facilitated point-of-sale transactions between merchants and the financial institutions that issued the stored-value cards.

COUNT ONE
18 U.S.C. §§ 1343 & 1349 -
Conspiracy to Commit Wire Fraud

D-1 HADEER GAPPY, and

D-2 HARRY GAPPY

The General Allegations are included in this Count.

Beginning in approximately February 2016, and continuing through February 2018, in the Eastern District of Michigan, Southern

Division, defendants HADEER GAPPY, and HARRY GAPPY willfully combined, conspired, confederated and agreed with each other, and with others both known and unknown, to commit the crime of wire fraud, by knowingly executing and attempting to execute a scheme to defraud and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises. In executing the scheme to defraud, and to accomplish the objectives of the conspiracy, defendants HADEER GAPPY, and HARRY GAPPY transmitted and caused the transmission of wire communications in interstate commerce, of certain writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Sections 1343 and 1349.

It was the means and methods of the conspiracy that various persons used compromised credit and debit card accounts to purchase merchant gift cards and stored-value cards. These individuals sold the cards at a discount to defendants HADEER GAPPY and HARRY GAPPY at Bottoms-Up. Defendants HADEER GAPPY and HARRY GAPPY resold the merchant gift cards at a profit to Raise.com and

CardCash.com. Transactions were conducted in interstate commerce, via the internet.

Defendants HADEER GAPPY and HARRY GAPPY obtained the value on the prepaid Visa, MasterCard, Discover and American Express stored-value cards by processing them as purchases on their credit/debit card terminals at Bottoms-Up. Transactions were conducted in interstate commerce, via the internet.

Once transactions were completed, Raise.com, CardCash.com and Elavon wire transferred payment in interstate commerce from locations outside of the state of Michigan to the Bottoms-Up account at Comerica Bank in the Eastern District of Michigan.

During the period beginning in February 2016 and continuing through August 2017, defendants HADEER GAPPY and HARRY GAPPY sold more than 57,000 gift cards to Raise.com for which Raise.com paid approximately \$4.9 million dollars

During the period beginning in January 2017 and continuing through February 2018, defendants HADEER GAPPY and HARRY GAPPY sold more than 2,800 gift cards to CardCash.com for which

CardCash.com paid approximately \$1.4 million dollars.

During the period from December 2016 through Dec 2017, defendants HADEER GAPPY and HARRY GAPPY processed more than \$2.9 million dollars in stored-value card transactions through Elavon.

All in violation of Title 18 United States Code, Sections 1343 and 1349.

FORFEITURE ALLEGATION
18 U.S.C. § 981(a)(1)(C) & 28 U.S.C. § 2461

The allegations contained in Count One of this Information are hereby realleged and incorporated by reference for the purpose of alleging forfeiture under Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

Upon conviction of the offense in violation of Title 18, United States Code, Sections 1343 and 1349 set forth in Count One of this Information, the defendants, HADEER GAPPY and HARRY GAPPY, shall forfeit to the United States of America, under Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense. The property to be

forfeited includes, but is not limited to, the following:

- a) Bank of America Acct #006617232209, Asset Value: \$55,343.71 (18-USS-000383);
- b) Comerica Bank Acct #1230027508, Asset Value: \$314,877.00 (18-USS-000384);
- c) Elavon Merchant Acct #8030848413, Asset Value: \$147,205.63 (18-USS-000385);
- d) Huntington Bank Acct #03382313205, Asset Value: \$741,073.63 (18-USS-000386);
- e) TCF Bank Acct #3444000174, Asset Value: \$800,486.48 (18-USS-000387);
- f) TCF Bank Acct #4443472331, Asset Value: \$3,601.29 (18-USS-000388);
- g) TCF Bank Acct #7443943622, Asset Value: \$611,491.06 (18-USS-000389);
- h) TCF Bank Acct #8444268995, Asset Value: \$535,291.42 (18-USS-000390);
- i) \$306,320 U.S. Currency seized from XX46 Buena Vista Court, West Bloomfield, Michigan (18-USS-000442);
- j) \$32,174 and \$5,000 U.S. Currency seized from XX23 W. 8 Mile Road, Detroit, Michigan (18-USS-000443, 18-USS-000461);
- k) \$368,939.50, \$949.00, and \$240.00 U.S. Currency seized from XX60 Victoria Drive, West Bloomfield, Michigan (18-USS-000444, 18-USS-000445, 18-USS-000460);
- l) \$5,194 U.S. Currency seized from X04 Woodhaven Drive,

Commerce Township, Michigan (18-USS-000462); and

- m) MoneyGram Money Order Numbers R107675090897, R107675090908, R107786581936, R107675090853, R107675090699, R107876447976, R107876447965, R107786580935, R107675090842, R107786581903, R107786582343, R107876447866, R107876447855, R107876447877 Valued at \$1,000 each (18-USS-000446, 18-USS-000447, 18-USS-000448, 18-USS-000449, 18-USS-000450, 18-USS-000451, 18-USS-000452, 18-USS-000453, 18-USS-000454, 18-USS-000455, 18-USS-000456, 18-USS-000457, 18-USS-000458, 18-USS-000459).

The United States also intends to seek a forfeiture money judgment for the total amount of proceeds that defendants, HADEER GAPPY and HARRY GAPPY, obtained as a result of Count One, which the United States anticipates will be approximately \$9.2 million dollars.

If any of the property described above, as a result of any act or omission of the defendants:

- a) cannot be located upon the exercise of due diligence;
- b) has been transferred or sold to, or deposited with, a third party;
- c) has been placed beyond the jurisdiction of the court;
- d) has been substantially diminished in value; or
- e) has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

Respectfully submitted,

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Dated: July 6, 2021

United States District Court
Eastern District of Michigan

Criminal Case Cover Sheet

Case Number
2:21-cr-20441

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

Companion Case Information	Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned:
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	AUSA's Initials:

Case Title: USA v. D-1 Hadeer Gappy and D-2 Harry Gappy

County where offense occurred : Wayne

Check One: ☒ Felony ☐ Misdemeanor ☐ Petty

☐ Indictment/ ☒ Information --- no prior complaint.
☐ Indictment/ ☐ Information --- based upon prior complaint [Case number: _____]
☐ Indictment/ ☐ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information

Superseding to Case No: _____ Judge: _____

- ☐ Corrects errors; no additional charges or defendants.
☐ Involves, for plea purposes, different charges or adds counts.
☐ Embraces same subject matter but adds the additional defendants or charges below:

Defendant name

Charges

Prior Complaint (if applicable)

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

July 6, 2021
Date

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¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, or (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.